

May 23, 1973

to that shareholder and pays it into the Tax Commissioner's office, do we automatically then create a liability to return most of that to the individual because the income tax will be overpaid won't it?

SENATOR BURBACH: This, this, this is a possibility. It may or may not be depending upon the financial condition of that, of that chapter S corporation, yes.

SENATOR KELLY: Then my further question would be, what is the wisdom or the rationale of the 10%?

SENATOR BURBACH: So that there will be no problem of collecting from a non resident owner sometime in the future, to run him down and so forth, the responsibility lies upon that corporation which is located in Nebraska regardless of where the other members of that corporation may reside.

SENATOR KELLY: Well, now a statement. It would appear to me that it would be more realistic for the tax collector and the taxpayer, that if they do one or the other, if they sign an agreement that they will file the income tax return, they should be exempted from the 10% payment. This would be easier for the tax collector and it would certainly be easier for the taxpayer. It just doesn't seem to quite follow to make the taxpayer do both.

SENATOR BURBACH: Senator Kelly, this is correct. Your statement was correct. If they file or sign, then they do not pay the 10%.

SENATOR KELLY: You just got a supporter.

SENATOR BURBACH: Okay. Fine.

PRESIDENT: Now any further discussion of 526? Question is shall 526 be advanced then from select file to E&R final? All those in favor vote aye. All those opposed vote no. Have you all voted? Clerk will record. I'm sorry, Senator Johnson. Senator Johnson voting aye.

CLERK: 32 ayes on motion to advance.

PRESIDENT: Very good. Senator Johnson's voting aye. I punched that out ahead of you.

CLERK: Mr. President, I have some reports that need to be read in (read) Mr. President, we should properly advance those bills if we could. 536 and 533. Adopt the E&R amendments.

PRESIDENT: Senator Cavanaugh, need to adopt the E&R amendments on those two bills and move them on here. 536, 533.

SENATOR CAVANAUGH: Mr. President, I move the adoption of the E&R amendments to LB 533.

PRESIDENT: Motion is to adopt the E&R amendments to 533. All those in favor of the motion say aye. Those opposed say no. So ordered, the amendments are adopted.

SENATOR CAVANAUGH: Mr. President, I move LB 533 as amended be advanced to E&R for Engrossing.

PRESIDENT: You heard the motion now to advance the bill as amended. All those in favor of the motion say aye. Those opposed say no. So ordered, the bill as amended is advanced.